



**STATISTICS**

# **Data Transparency: The Role of IMF Data Standards Initiatives**

**9<sup>TH</sup> MEETING OF THE TECHNICAL COMMITTEE OF THE  
ARAB STATISTICS INITIATIVE**

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# **Data Transparency and IMF Data Standards Initiatives**

## **Tenth Review of Data Standards Initiatives**

## **Benefits of Data Transparency**

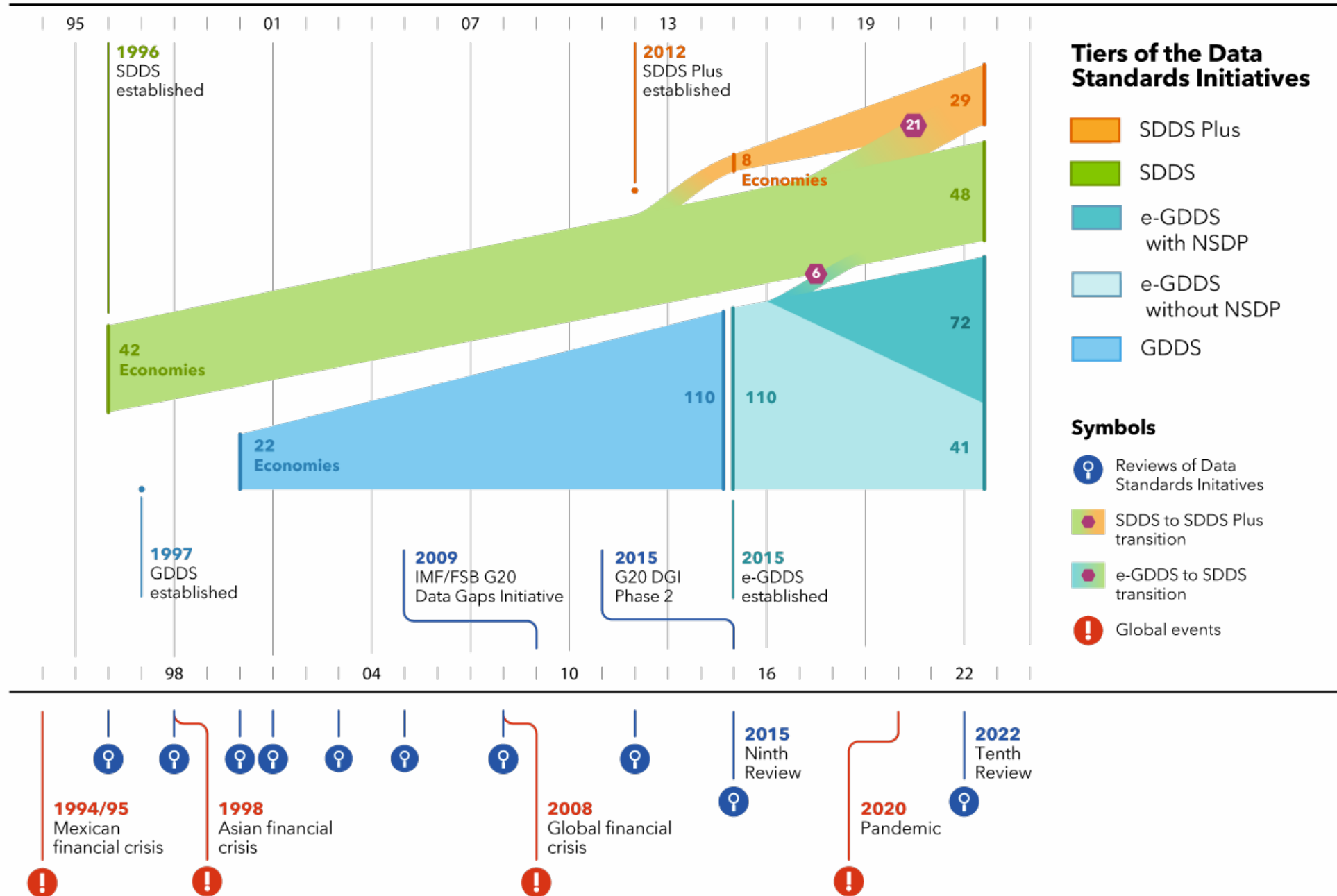
# Importance of data transparency

- Ensures a timely and disciplined flow of essential data to inform the public, markets, and the international community
- Fosters accountability in policymaking, efficiency in markets, and better-informed analysis
- Creates trust to make timely decisions, especially in the current fast changing and vulnerable global environment

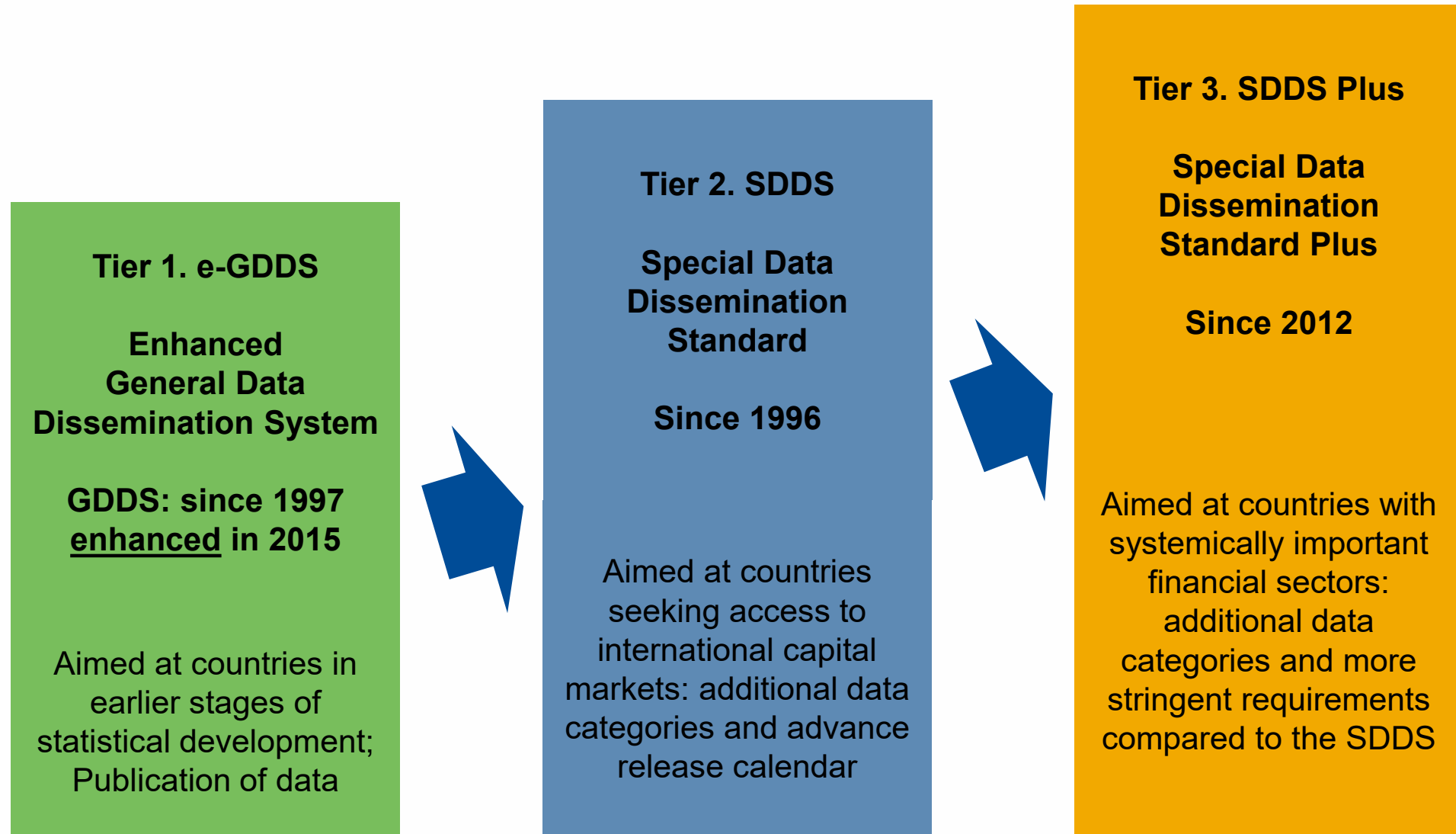
# IMF Data Standards Initiatives enhance data transparency as a global public good

- Encourage countries' voluntary and disciplined publication of key macroeconomic and financial data
- Countries inform the public, markets, and the international community in a timely manner, thereby facilitating early resolution of macroeconomic imbalances and market disequilibria
- Three tiers of the framework—**enhanced General Data Dissemination System (e-GDDS)**, **Special Data Dissemination Standard (SDDS)**, and **SDDS Plus**—are tailored to countries' capacity

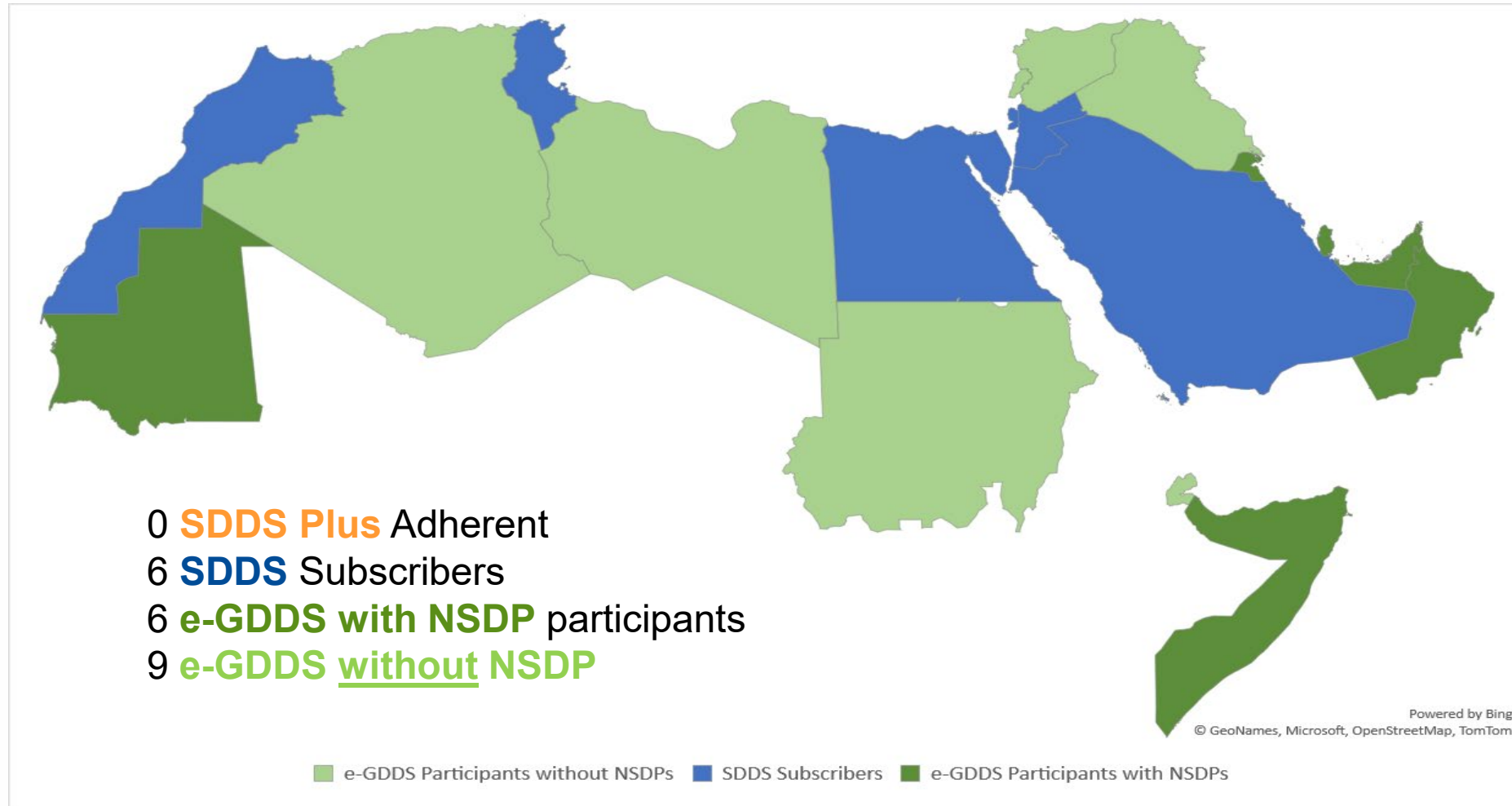
# Data Standards Initiatives: milestones and achievements



# IMF three-tiered framework for data dissemination aims to enhance data transparency through timely publication of key statistics



# Arab Countries participation in the IMF Data Standards Initiatives



# **Data Transparency and IMF Data Standards Initiatives**

## **Tenth Review of Data Standards Initiatives**

### **Benefits of Data Transparency**



# Data Standards Initiatives should remain attuned to new demands for data for surveillance and policymaking

Public sector	<ul style="list-style-type: none"><li>• Broader and more granular coverage of the public sector data, including debt data</li></ul>
Macro-financial	<ul style="list-style-type: none"><li>• Indicators for macro-financial analysis</li></ul>
International monetary system	<ul style="list-style-type: none"><li>• Data on foreign exchange intervention</li></ul>
Economic sustainability	<p>Data related to:</p> <ul style="list-style-type: none"><li>• Inequality</li><li>• Climate change</li><li>• Demographics</li><li>• Technological advances</li><li>• Socio-political developments</li></ul>
Other systemic financial risks	<p>Data related to:</p> <ul style="list-style-type: none"><li>• Household debt</li><li>• Real estate sector</li></ul>
More granular data	<p>High-frequency and granular information to have more timely and comprehensive signals of economic activity and emerging risks</p>

# Tenth Review parsimoniously expanded the encouraged data categories, without introducing new required ones

Tier	Proposed Encouraged Data Category	Periodicity / Timeliness 1/	Current Data Standards Initiatives
<b>SDDS Plus</b>	1 General government debt by creditor type	Q / 4M	Required to publish quarterly general government gross external debt by maturity and instrument; and total general government gross debt at nominal value, disaggregated by instrument, currency, and residency of creditors
	2 Net open position in FX to capital (ratio)	Q / 1Q	Encouraged under the SDDS
	3 Foreign exchange intervention 2/	Q / 1Q	
	4 Taxes on fossil fuels 3/	Q / 12M	
	5 Labor force participation rate by gender	Q / 1Q	Required to publish total employment, unemployment, wages/earnings
<b>SDDS</b>	1 General government gross external debt owed to official bilateral creditors, and the amounts, by country, owed to the five largest (in terms of shares in total bilateral debt) official creditors	Q / 1Q	Required to publish quarterly general government gross external debt by maturity and instrument; and encouraged to publish general government gross debt/breakdowns
	2 General government gross external debt owed to multilateral creditors, and the amounts, by institution, owed to the five largest (in terms of shares in total multilateral debt) multilateral creditors	Q / 1Q	
	3 Residential real estate prices	Q / 1Q	Required under the SDDS Plus
	4 Taxes on fossil fuels 3/	Q / 12M	
	5 Labor force participation rate by gender	Q / 1Q	Required to publish total employment, unemployment, wages/earnings
<b>e-GDDS</b>	1 Public external debt owed to official bilateral creditors and the amounts, by country, owed to the five largest (in terms of shares in total bilateral debt) official creditors	Q / 2Q	Encouraged to publish quarterly public and publicly guaranteed external debt by maturity
	2 Public external debt owed to multilateral creditors, and the amounts, by institution, owed to the five largest (in terms of shares in total multilateral debt) multilateral creditors	Q / 2Q	
	3 Taxes on fossil fuels 3/	A / 12M	

1/ Based on current requirements for related categories when available. M = monthly or with lag of no more than one month after the reference date (or the end of the reference period); Q = quarterly or with lag of no more than one quarter after the reference date (or the end of the reference period); A = annual.  
2/ Includes four indicators

# **Tenth Review strengthens and modernizes aspects of implementation of the Data Standards Initiatives**

- e-GDDS: enhancing engagement and monitoring
- SDDS: encouraging modernization of data publication technology (SDMX)
- SDDS Plus and all tiers: continuing outreach and fostering peer learning
- Introduce a “force majeure” procedure in SDDS and SDDS Plus to permit staff to refrain from initiating nonobservance procedures when deviations are due to unforeseen circumstances beyond the authorities’ control

# **Data Transparency and IMF Data Standards Initiatives**

## **Tenth Review of Data Standards Initiatives**

### **Benefits of Data Transparency**

# Transparency contributes to risk reduction by ...

- Decreasing uncertainty about economic developments and prospects
  - Enhancing the analysis of policies, allowing for their improvement
  - Facilitating the resolution of imbalances and avoiding the accumulation of vulnerabilities
- Significant reduction in spreads following subscription to SDDS or implementation of e-GDDS.  
*Gonzalez-Garcia (forthcoming) IMF Working Paper*
  - Spreads in launches of sovereign bonds decline after subscribing to SDDS. Cady (2005) *IMF Staff Paper*; Analysis is extended: joining SDDS and GDDS helps to reduce spreads. *Cady and Pellechio (2006) IMF Working Paper*
  - More refined methods: adoption of the SDDS and GDDS lead to a reduction in spreads. *Choi and Hashimoto (2018) IMF Working Paper*

# Benefits of increased transparency through data dissemination are found also for ...

**Portfolio allocation.** Investment funds invest less in countries that are less transparent and have a greater propensity to exit nontransparent countries during crises. *Gelos and Wei (2006) Journal of Finance*

**Exchange rate volatility.** Disseminating information about international reserves using the Reserves Template is associated with a decrease in exchange rate volatility. *Cady and Gonzalez-Garcia (2007) IMF Staff Paper*

**Quality of forecasts.** IMF WEO forecasts have better statistical qualities for SDDS subscribers than for GDDS participants and countries outside the data standards. *Mrkaic (2010) IMF Working Paper*

**Fiscal transparency.** Higher fiscal transparency (openness of budget process, fiscal data transparency, and accountability of fiscal actors) reduces sovereign interest rate spreads and increases foreign holdings of sovereign debt. *Kemoe and Zhan (2018) IMF Working Paper*


**Governance.** Data publication under e-GDDS and subscription to SDDS are also associated with better governance. *Shirakawa, Shi, Lusinyan, and Tumbarello (forthcoming) IMF Working Paper*


## Main takeaways

- Implementation of the Data Standards Initiatives is a data transparency policy reform
- International Monetary Fund stands ready to continue assisting countries in their efforts toward greater data transparency
- We encourage all countries and development partners to continue working together to further strengthen data transparency as a global public good






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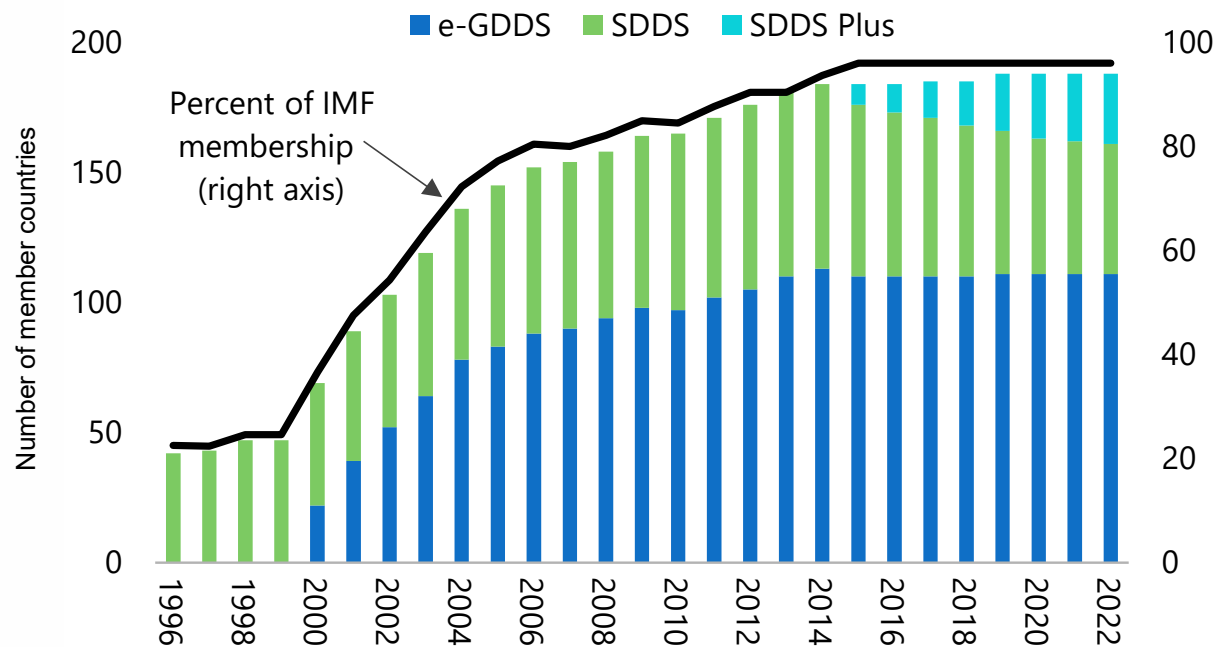
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**Thank you**

# IMF Data Standards Initiatives enhance data transparency as a global public good

## Participation in the IMF Data Standards Initiatives



Source: Dissemination Standards Bulletin Board.

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